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Secretary for
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Air Resources Board

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Arnold Schwarzenegger
Governor

MEMORANDUM

TO: Air Pollution Control and Air Quality Management Districts

FROM: Jack Kitowski, Chief
On-Road Controls Branch

DATE: September 28, 2007

SUBJECT: Solicitation for Applications to Receive Funding from the Carl Moyer Memorial Air Quality Standards Attainment Program – Year 10 Funds

This memo solicits applications from air districts that wish to receive funding from the Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program). For fiscal year (FY) 2007/2008 (Year 10), the California Legislature authorized \$90 million for project funding for the Carl Moyer Program. Attachment 1 to this memo provides a brief description of the program, detailed application instructions and the tentative funding allocation for Year 10 funds. The application form and match fund waiver are provided in Attachment 2 and the timeline by which Year 10 funds must be obligated and expended is shown in Attachment 3. Final allocations will be made based on the number of qualified districts that apply.

In addition to project funds, all districts participating in the program will receive an allocation for program administration and outreach. The match requirement for districts requesting only the minimum allotment of \$200,000 has also been waived provided the district meets qualification commitments. To qualify for the waiver, the appropriate district official must sign and return the "Certification of District Resources" (included in the attachments) with the completed application.

All air districts are asked to respond to this solicitation by November 28, 2007. All districts should take one of the following four actions:

- **Declining the Funds** - Districts that are not prepared to participate in the Carl Moyer Program for Year 10 funds should complete numbers 1, 2 and 5 of the application following the application instructions. If an application is not submitted to ARB by November 28, 2007, ARB will assume that the district is not interested and will not include the district in the final allocation of Year 10 Carl Moyer Program funds.

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our Website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

- **Requesting the Funds and Authorizing the funds be encumbered to the Pooled Rural District Program** – Rural districts may opt to participate in this assistance to rural districts. To do so districts must submit the following:
 - 1) An Application – complete only Sections 1, 2, 4 and 5.
 - 2) A board resolution designating funds to the Pooled Rural District Program must be submitted before April 30, 2008 for the district to be included in the final allocation of Carl Moyer Program Year 10 funds by the close of the State's fiscal year.
- **Reserving the Funds (Submitting an application)** - Districts that are prepared to participate in the Carl Moyer Program and wish to reserve their allocation of Year 10 funds, must submit the following:
 - 1) An application (including the completed application form and match waiver/documentation).
 - 2) A board resolution accepting the funds and agreeing to follow the requirements of the Carl Moyer Program must be submitted before April 30, 2008 for the district to be included in the final allocation of Carl Moyer Program Year 10 funds by the close of the State's fiscal year.
 - 3) District matching funds. Districts that must provide matching funds can commit funds for future projects or can utilize funds already committed to projects that meet the current Carl Moyer Guidelines. The district must provide documentation for match funds committed to projects by entering or uploading the project data into the Carl Moyer Program database. ARB must receive this documentation to process a district's application. **Districts that consider applying for more than the tentative allocation and are committing more than the matching funds required by the current tentative allocations, must list excess match and provide appropriate documentation.** Since the funding level for the statewide program is greater than \$25 million this fiscal year, district matching funds are currently capped at \$12 million total.
 - 4) If there are any substantive changes to the District's Carl Moyer Program Policies and Procedures Manual, especially for the implementation of Year 10, the most current policies and procedures must be submitted with the application.

- 5) A program implementation plan for obligating the Year 10 grant award, including, but not limited to, how the District will complete the tasks of outreach, solicitation, application processing, obligation and invoicing of funds, and monitoring. The plan must include a timeline for completing milestones for the identified tasks. Districts that have already submitted an approved implementation plan in a previous year are required to submit a timetable for implementation of Year 10 funds. An approved implementation plan may be a stand alone document or may be part of the district's Carl Moyer Program Policies and Procedures Manual.
 - 6) As required by the 2005 Carl Moyer Program Guidelines, the Year 9 status report must be submitted no later than November 28, 2007.
- **Obtaining Year 10 Initial Disbursement in January 2008** – Districts wishing to receive an initial disbursement of Year 10 funds in January 2008 must submit the following:
 - 1) A complete application package which includes a completed application form; Match waiver/documentation (or documentation of Districts matching funds, whichever is most appropriate); Program implementation plan; Year 9 status report; Policies and Procedures manual updates (if relevant); and Board resolution for Year 10 funds.
 - 2) Documentation of obligation and expenditure for 100 percent of previous years' (Year 1-8) Carl Moyer Program and required matching funds.
 - 3) Documentation for obligation of at least 90 percent of Year 9 Carl Moyer Program and required match funds.
 - 4) A signed Grant, Award, & Authorization Form accepting Year 10 funds under the terms and conditions referenced in the Grant.

April 30, 2008 is the deadline for acceptance of a grant award from Year 10 funds. Districts have until June 30, 2009 to obligate Year 10 funds and until June 30, 2010 to expend Year 10 funds under the grant award. Any funds not expended by a district by June 30, 2010 are legislatively required to revert back to the Covered Vehicle Account. As such, any Year 10 funds that are not obligated by June 30, 2009 may be recaptured and reallocated to districts that can expend Year 10 funds by the June 30, 2010 deadline.

Air Pollution Control and Air Quality Management Districts
September 28, 2007
Page 4

ARB would also like to remind you that while districts may apply for funding each year, beginning with Year 9 (fiscal year 2006-2007), the Carl Moyer Program Guidelines specify minimum requirements regarding the amount of funds that each district must obligate from Year 9 and subsequent year awards in order to receive future grant awards in the Year 10 and later funding cycles. Please review the Carl Moyer Program Guidelines Approved Revision 2005, Chapter Two, Page II-16 for specific requirements.

Please send your completed application to:

Air Resources Board
Mobile Source Compliance Division
P.O. Box 2815
Sacramento, California 95812

Attn: Ms. Stacey Dorais

The Carl Moyer Program Guidelines are available electronically on ARB's web site located at <http://www.arb.ca.gov/msprog/moyerguidelines/current.htm>. For any questions about the application process, please contact Ms. Stacey Dorais, Associate Governmental Program Analyst, of my staff, at (916) 322-2383 or email at sdorais@arb.ca.gov.

Attachments

cc: Ms. Heather Arias, Manager
Incentives Oversight Section

Mr. John Kato, Manager
Innovative Strategies Section

Ms. Lucina Negrete, Manager
Alternative Strategies Section

Mr. Dave Salardino, Manager
Carl Moyer Off Road Section

Mr. Mel Zelden, Executive Director
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Air Pollution Control and Air Quality Management Districts
September 28, 2007
Page 5

bcc: Ms. Stacey Dorais
Alternative Strategies Section

Ms. Susan Levenson-Palmer
Alternative Strategies Section

Carl Moyer Program District Files